

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

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CIA REVIEWED 08-Jul-2010: SANITIZED FOR RELEASE IN PART

DOE REVIEWED 16-Jun-2010: NO OBJECTION TO DECLASSIFICATION.

MEMORANDUM OF CONVERSATION

DOS REVIEWED 30-Jun-2010: NO OBJECTION TO DECLASSIFICATION.

PARTICIPANTS:

REFER TO DOS

REFER TO CIA

President Ford
Senator John Pastore
Senator Howard Baker
Representative Melvin Price
Representative John Anderson
Max Friedersdorf, Assistant to the President
Brent Scowcroft, Assistant to the President
for National Security Affairs

DATE AND TIME:

Wednesday, September 1, 1976
11:45 a.m. - 12:25 p.m.

PLACE:

The Oval Office

SUBJECT:

Non-Proliferation Discussion with JCAE Members

(Some Congressional talk about anti-trust bill.)

President: Thank you for coming down. I know you wanted to talk about the Taiwan matter, but there are also your non-proliferation bill, and the Export Administration Act which has a non-proliferation amendment.

Price: It is difficult to know what to do about that. There are six committees now having a piece of nuclear matters.

Pastore: That is one reason I wanted to come down.

Baker: It's essentially a foreign policy matter.

President: My staff tells me that Taiwan is completely dependent on us for nuclear supplies; that they do want a reprocessing plant, etc. We don't think they have a secret reprocessing capability.

Pastore: Not now.

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SCHEDULE OF EXECUTIVE ORDER 11652
EXEMPTION CATEGORY 5 (B) (3)
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Baker: I am not so sure. They have facricated something.

(It was discussed what to say to the press. It was agreed to say that the group discussed Taiwan. Congress expressed its concern. The President discussed the matter, and he has the matter under consideration. It is sensitive and we will not discuss it.)

Pastore: I won't object to bringing the uranium/nuclear enrichment bill up, though I would let it go over until January.

President: I think we ought to make a try.

Pastore: I will try.

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THE WHITE HOUSE

WASHINGTON

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MEETING WITH JOINT COMMITTEE ON
ATOMIC ENERGY

Wednesday, 1 September 1976
11:45 a. m.

From: Brent Scowcroft 

I. PURPOSE

To indicate that we are giving serious attention to the intelligence report regarding possible secret nuclear reprocessing in Taiwan, and that the JCAE will be kept informed.

II. BACKGROUND, PARTICIPANTS & PRESS ARRANGEMENTS

- A. Background: Post and Times articles, allegedly based on leaks from ERDA and ACDA sources, reported that secret nuclear reprocessing is thought to be going on in Taiwan, presumably for the ultimate purpose of weapons development. While there have been some intelligence indications which are cause for concern, the evidence is far from conclusive. Senator Pastore is concerned about the impact of these news leaks and how to deal with the matter in the Joint Committee.
- B. Participants: Senators John Pastore, Howard Baker; Representatives Melvin Price, John Anderson; Max Friedersdorf and Brent Scowcroft
- C. Press Arrangements: Meeting to be announced; White House photographer.

III. TALKING POINTS

- 1. As Taiwan has increased its reliance on civil nuclear power, it has argued that it should be able to reprocess and recycle its spent fuel.

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2. We have been strongly opposed because of the military implications. We have made it unmistakably clear to the ROC that if they proceeded with plans to develop a reprocessing capability it would jeopardize our cooperation with their nuclear program. We are now preparing a further strong demarche on this subject which will be delivered shortly.
3. The exception to our general opposition is a small-scale experimental laboratory reprocessing facility which we approved at an earlier stage and which is fully safeguarded.
4. Because of the ROC's total dependence on the U.S. as a supplier of both reactors and enriched uranium fuel, we believe that we have great leverage and that they understand and take seriously our opposition.
5. In addition to IAEA inspectors having access to all of the ROC's safeguarded facilities, our science attaches and ERDA representatives have moved freely through the nuclear institute and have had an intimate relationship with the nuclear science community there. The possibility of secret reprocessing going on therefore seems remote.
6. There are, however, recent intelligence reports which suggest that:

First, despite our strong representations in the past, the ROC may still be seeking to acquire reprocessing technology. That is the reason we are now preparing another firm demarche.

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7. You and the Committee will be kept fully informed.
8. Without prejudging the evaluation, I must say that secret reprocessing would represent such a tremendous risk for the ROC that I do not think we should jump to the conclusion that these reports are true.

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10. I would hope that as both the Administration and Congress look more deeply into this very serious matter, we could avoid public statements which will only make it that much more difficult to obtain the necessary information.


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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

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September 1, 1976

MEMORANDUM FOR: THE PRESIDENT
FROM: BRENT SCOWCROFT 
SUBJECT: Additional Background and Talking Points
for your Meeting with Senator Pastore and
Other Members of the Joint Committee
on Atomic Energy

Since your meeting with Senator Pastore has been expanded to include other members of the Joint Committee, there are two other subjects which may be raised. Background and talking points for these subjects follow:

The Pastore Nuclear Bill

Background

Senator Pastore introduced on August 25 the Nuclear Explosive Proliferation Control Act of 1976. Congressman Anderson and Price introduced it by request in House. The bill is intended to impose much stricter controls on U.S. nuclear exports, and to use these exports as leverage to bring other countries nuclear policies into line with ours. Administration witnesses testified on the bill on August 31. Four main points were made:

- The bill has some good features that would advance our non-proliferation policies.
- Some provision of the bill, however, would drive away many of our nuclear partners -- both supplier and recipient countries.
- We are prepared to work with the Committee toward achieving an effective bill.
- The President has a major nuclear study underway and we will be able to cooperate with the committee most effectively after decisions are reached in the very near future.

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Talking Points

- It is important that we work together in this important, non-partisan area.
- Based on yesterday's hearings, it is clear that we share common objectives, and there are many useful features in your bill.
- My policy review will be completed by the end of next week, and we will be working closely with the Committee.

The Export Administration Act of 1976

Background

Congressmen Price and Anderson are considering asking that the Export Administration Act of 1976 be sequentially referred to the JCAE since the House International Relations Committee added a nuclear non-proliferation amendment to the bill. We would encourage this action because the amendment is unworkable, and also to delay the bill with a hope to deleting the unacceptable Arab boycott provisions.

Talking Point (if the issue is raised)

- It seems to me that the non-proliferation amendment added to the Export bill should be reviewed in the context of what you are seeking to achieve with your nuclear export bill. Referral to the Joint Committee would definitely be in order.

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NATIONAL SECURITY COUNCIL

SECRETINFORMATION

August 27, 1976

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MEMORANDUM FOR BRENT SCOWCROFT

FROM:

DAVID ELLIOTT *DE*
WILLIAM GLEYSTEN *WJ*

SUBJECT:

Taiwan Reprocessing

Washington Post reporters are contacting people at State, ERDA, ACDA, and here, trying to obtain information and confirmation that Taiwan is carrying out secret nuclear reprocessing, presumably aimed at weapons development.

Should such an article appear in the next couple of days, as we anticipate, we can expect Congressional demands that we verify whether or not the ROC is in fact reprocessing and insistence that we stop further fuel supplies to Taiwan until that question is answered.

The ROC economy is becoming very dependent on nuclear power, and the United States is both their only source of fuel and the only country able under current IAEA arrangements to provide reactors. Therefore, although we believe they are actively developing the option as far as they can, we question whether the ROC leaders would -- at least at the present time -- jeopardize their economy by carrying out secret reprocessing.

Nonetheless, there have been disturbing signs of continuing ROC interest in this area, and it is some of these which have apparently come to the attention of the Post reporters. They include:

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-- The ERDA representative in Tokyo has visited the institute but cannot confirm or deny reprocessing activity.

-- As far as IAEA safeguard records are concerned, no nuclear material is unaccounted for. Nonetheless, at best IAEA safeguards are not perfect, and its cameras at the ROC's CANDU reactor have not been working. A recent IAEA inspection trip was intended to fix the cameras, but we have not yet received confirmation that this was done.

-- If the ROC is reprocessing in an undeclared (secret) facility, it would be in violation of its obligations as a party to the NPT.

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-- We know that the ROC has been trying to buy a reprocessing plant -- or at least reprocessing technology, most recently from the Netherlands -- even though we have warned them that a reprocessing capability will jeopardize their entire nuclear power program.

Despite the past representations to the ROC government, it is apparent that they continue to give serious consideration to the reprocessing option.

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we believe it is necessary for a firmly worded demarche to the ROC in the immediate future. State is currently working on talking points for the Ambassador to use in such a demarche to Chiang Ching-kuo.

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